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TOM WARD - Fair COLA solution is right next door

I'm sure I'm not the first to make this prediction, but I'll make it anyway, along with a suggestion I'm not hearing from legislators.

The plan by Gov. Donald Carcieri to send hundreds of teachers and state employees flooding to the employment exits by April 1 in order to keep their sweet, sweet pensions intact will never happen. Settle down, everyone. This is a non-starter, for more than a few reasons.

First, it is extreme. Let's think about this for a minute. Hundreds, if not thousands of state employees and teachers, nearing their normal time of retirement, are forced out by April 1 so they can still receive their annual 3 percent raises in retirement, also known as cost-of-living adjustments, or COLAs. If they stay beyond April 1, says Carcieri, they'll retire and still get a pension, but no annual raises.

Second, it is patently unfair. This is the third round of pension reforms that I can remember, and all have hit young teachers and state employees much harder than those who have already found their way to pension paradise.

Third, don't even get me started on the chaos that will ensue as we retire hundreds of teachers on April 1. You think the education of our children suffers now? The spring of 2009 would be a catastrophe.

There is a much better way to handle COLAs and save a lot of money. It is less extreme, more fair, and will keep teachers on as long as they wish to teach. More on that later.

Let me be clear (again). I am generally a supporter of Gov. Carcieri, and admire the many tough decisions he has made through the years to save tax dollars. It hasn't been easy against an army of Democrats in the General Assembly, and today, with last fall's Obama tsunami, he's in an impossible situation. The fact is, the Democratic majority is so overwhelming in both chambers that the governor has virtually no role. The Assembly can do whatever it pleases while Carcieri can only watch.

I love the way the system works. The governor proposes spending cuts in January, and gets the living daylights kicked out of him by advocates and their Assembly supporters for the next few months. Last year, Carcieri made several proposals and took the beating, only to have the legislature do pretty much what he suggested, with no tax increases. It was, after all, an election year.

This year, with no election and even more Democrats, I wonder if the governor simply threw up his hands and crafted an unworkable proposal, almost as if to say "Here's my crazy idea. I know it won't fly, so you figure out how to fix this mess. You made it. You fix it!"

Forget the April 1 exodus. It won't happen.

So what is the better way to handle COLAs and save money? Follow the lead of our surrounding states, that's how our surrounding states, that's how.

In Massachusetts, all state employees get a 3 percent raise on the first $12,000 of their pensions, and no more. What if we did this in Rhode Island (with $12,000 or, I would suggest, an even larger figure) and extend it to both current and future retirees?

It's a question I posed to state General Treasurer Frank Caprio last week when he stopped in for a visit to this newspaper.

"Is it fair," I asked, "for a recently retired Woonsocket superintendent of schools to receive a $350 per month raise (on a $140,000 annual pension), every year, forever, while teachers who have been in the classroom 25 years get no COLAs when they retire?" We agreed the correct answer was "No."

And I wonder, does any retiree need an extra $100, $200, or $300 per month - every year - to keep up with rising prices? I don't think so.

While Treasurer Caprio doesn't set policy, he works with both the governor's office and the General Assembly to "run the numbers" on various ideas.

I suggest everyone on Smith Hill get cracking on this one. It's only fair.

- Ward is publisher of

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